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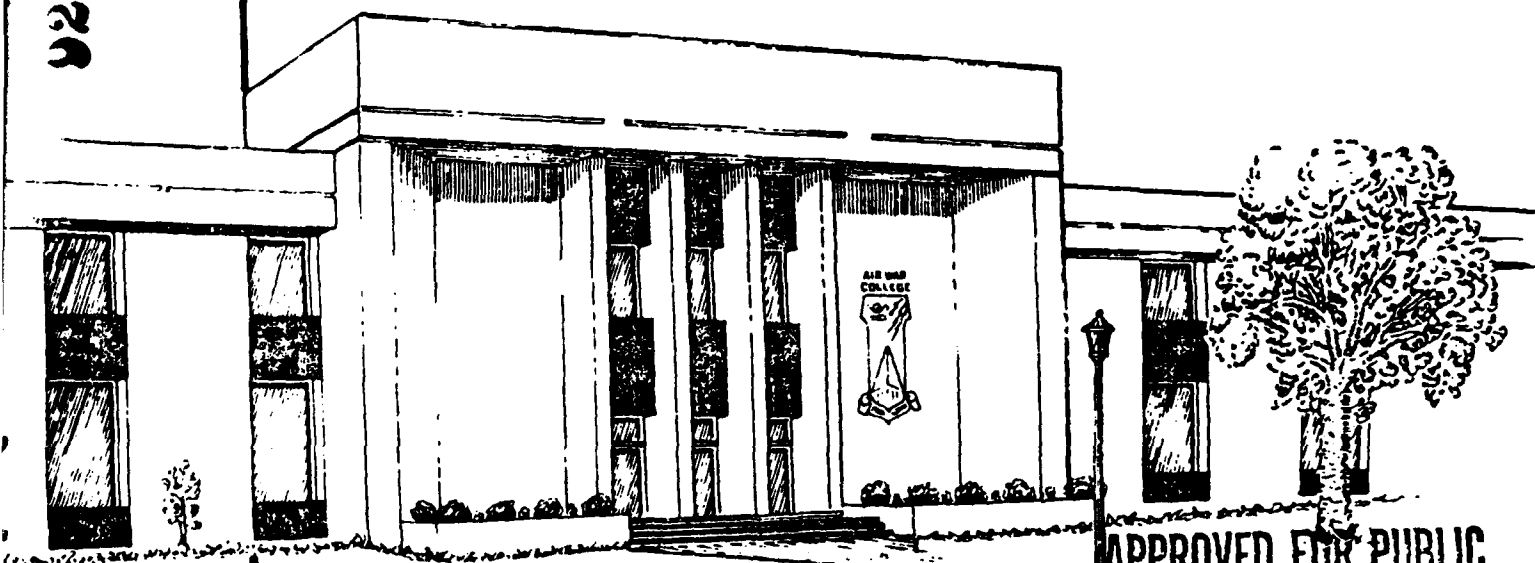


"BEYOND CONTAINMENT:" IMPLICATIONS AND STRATEGY
FOR THE MEDITERRANEAN REGION

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UNITED STATES AIR FORCE
MAXWELL AIR FORCE BASE, ALABAMA

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"BEYOND CONTAINMENT": IMPLICATIONS AND STRATEGY
FOR THE MEDITERRANEAN REGION

by

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A RESEARCH REPORT SUBMITTED TO THE FACULTY
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MAXWELL AIR FORCE BASE, ALABAMA

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INTRODUCTION

During the 1990s, the economic and strategic importance of the Mediterranean will increase as a consequence of: (1) continuing large scale transshipment of oil through the Mediterranean, (2) growing U.S. and European trade with the Soviet Union via the Mediterranean - Black sea lanes, and (3) expanding trade between European Community member states in and outside the Mediterranean area under the provisions of the new European Community's economic integration of 1992. Thus, the importance of maintaining free and secure passage through the Mediterranean will increase through the 1990s and into the next century. Unfortunately, growing instability and military power in the region present complex challenges directly threatening broader U.S. economic and security interests.

This essay argues that the year 2000 will find three situations defining U.S. economic and security interests in the Mediterranean region. These three situations are: (1) changing economic and security relationships between western Europe, the Soviet Union, and the U.S., (2) growing economic crisis in the developing countries along the Mediterranean, and (3) continuing regional security problems and emerging new regional powers. A review of these three situations and related security issues precedes the presentation of a regional security strategy for the 1990s that focuses on achieving *strategic stability* in the region. If implemented, this strategy offers stabilizing influences in the Mediterranean and supports the broader U.S. economic and security interests expected to emerge by the year 2000.

SITUATIONS OF THE 1990s

Situation 1: Changing Relations

During the 1990s, United States' interest in the Mediterranean will increase primarily as a consequence of a growing U.S. economic relationship with the Soviet Union. This economic relationship will emerge as a direct consequence of a U.S. policy of *engagement*¹ eventually replacing the cold war policy of *containment*. *Engagement* with the Soviet Union will be driven by the paramount U.S. national security objective — "to seek the integration of the Soviet Union into the international system as a constructive partner" while avoiding any breakdown in Moscow's command and control over the Soviet Union's nuclear arsenal (12:9). Under this new framework of *engagement*, United States assistance to resurrect the collapsing Soviet oil industry will: (1) emerge as a key economic strategy for pursuing *engagement*, (2) serve broader United States energy and trade policies, and (3) increase the strategic importance of the Mediterranean and Black seas along with the bordering countries.

The Soviet Union's system has failed to effectively benefit from the country's wealth of oil just as it has failed to realize its agricultural

1. *Engagement* means: "engaging the Soviet Union in a relationship that is increasingly cooperative" (12:9). The author assumes *engagement* will replace the policy of *containment* because of the dramatic drop in the potential for Soviet external aggression, and because of the changing Soviet internal political and economic situation. U.S. assistance to the Soviet Union will be linked to Soviet implementation of internal "westernizing" reforms. U.S. pursuit of *engagement* will be sustained by Keenan's arguments: (1) the U.S. and the Soviet Union must never go to war, (2) U.S. support is needed to overcome Soviet intellectual and cultural deficiencies that complicate economic, agricultural, and institutional reform, and (3) because the Soviet Union remains a nuclear superpower, its problems are essentially our problems (6:177-185).

potential and other natural sources of economic wealth. Soviet oil output "peaked at over 12 million barrels a day, about 20 percent of global output, and almost 50 percent higher than the next biggest producer, the United States" (10:39). However, Soviet oil exports decreased by an astounding ten percent in 1989 (10:39). Such a decrease is critical to a country trying to avoid economic collapse because oil remains the Soviet's primary source of foreign exchange and its principal link to the world economy (10:38).

Because the Soviets are the world's second largest oil exporter, a precipitous decline in their production makes the world more dependent on the reserves of the Persian Gulf at a time when the "demand for oil will rise sharply" (10:43). In the absence of major changes in energy policy, "the U.S. [will import] between 55 and 65 percent of the oil it consumes by the end of the 1990s, and more than two-thirds after the year 2000" (9:83).² And, the continuing shift away from coal and nuclear power for environmental reasons will increase U.S. demand for oil by 30 percent as oil-fired electric power plants come online to meet the growing need for electricity during the 1990s (9:83). Clearly, the U.S. need for growth in world oil production, and the "narrow availability of excess capacity" of the OPEC countries will cause the U.S. to seek Soviet oil (9:83).

However, Soviet oil production is decreasing due to the lack of money and technology (10:44). Indeed, U.S. oil companies report many Soviet oil fields are idle due to lack of capital and technology (9:76). To reverse declining production, the Soviet Union, which nationalized its oil industry after the 1917 Revolution, has reopened its territory and industry to

2. The U.S. imported only 35 percent of its oil when the first oil crisis struck in 1973 (9:83).

foreign oil companies (10:39). For its part, the U.S. has *engaged* the Soviets by approving U.S. oil company requests to use advanced technology to tap the large Soviet oil reserves inaccessible to Soviet technology (1:9). Exxon, Amoco, and ARCO are negotiating for rights, and Chevron is about to conclude a deal to exploit the large Tengiz field north of the Caspian (1:9).

As this U.S.-Soviet oil connection expands through the 1990s, it will serve to diversify U.S. oil import sources and give the U.S. new leverage with the Soviets and the OPEC countries. More importantly, the oil trade will begin to integrate the Soviet Union into the world economy. Oil exports to the U.S. will provide the Soviets with hard currency to buy western consumer goods and pay for the western expertise needed to modernize Soviet industry. The improved transportation infrastructure resulting from oil extraction and export will boost commerce between the Soviet republics. In short, U.S.-Soviet oil trade will become central to the U.S. strategy of integrating the Soviet Union into the international system and reinforcing Moscow's central authority.

For this first step in *engagement* to succeed, the Black Sea and Mediterranean must be secured for safe export of Soviet oil to the west and the import of western goods to the Soviet Union. Thus, the stability of all the countries bordering these sea lanes will be an increasingly important security objective for both the U.S. and the Soviet Union as this oil-based economic relationship matures into the year 2000.

Europe's interest in the Mediterranean will also increase during the 1990s as a consequence of: oil transshipment, trade between European Community states, and expanding trade with the Soviet Union and eastern

Europe. However, the focus of western Europe's economic and foreign policy during the 1990s will not shift to the Mediterranean; instead, it will become fixed on reconstructing eastern Europe and assisting the Soviet Union. Fear of massive immigration of economic refugees from eastern Europe and the Soviet Union will cause western European countries to see their greatest security and economic threat as an impoverished and desperate eastern Europe and a destabilized Soviet Union. As argued by Moran³, stagnation and decline of the Soviet economy would constitute "a great drag on European prospects," while a "reinvigorated Soviet economy along market lines would add incalculably to European and world growth" (9:76).

Thus, eastern Europe and the Soviet Union will become the primary beneficiaries of western Europe's economic reserves and political interest. If the European Community's 1992 integration results in any unified European foreign policy, it will most likely be a "Marshall Plan"⁴ aimed directly at eastern Europe and indirectly at the Soviet Union. Consequently, western Europe's capacity to assist in other regions will be significantly limited at a time when growing economic problems in the developing countries of the Mediterranean, and new regional military powers could threaten the sea lines of communication and overall stability of the region.

3. T.H. Moran is Director of the Program in International Diplomacy, Georgetown Univ. (9:74).

4. Moran estimates the post-WWII Marshall Plan would approach \$84 billion FY90 dollars (9:77).

Situation 2: Economic Crisis

For the countries outside the European economic integration of 1992, economic troubles will dominate the 1990s. The trouble is rooted in the rapid growth of populations outstripping the economic capacity of the non-European Community countries along the Mediterranean. Compounding the situation is a growing awareness by these populations of the significantly better economic conditions within the European Community. The result is a "have" versus "have not" condition which motivates emigration and political instability in the "have not" countries along the Mediterranean. The European Community members recognize this situation, but they have only responded with negative actions. For example, Turkey's application to become the eastern most member of the European Community was rejected partly as a consequence of Turkey's economic problems (i.e., low per capita income, 70% inflation, unrealistic exchange rates) and rapid population growth (70 million by the year 2000) (3:107).

To the south the situation is worse. According to Parker⁵, forty years ago the nations to the south of the Mediterranean had less than half the population of the nations to the north (62 versus 140 million) (11:25). However, today the southern nations have almost matched the north (165 million compared to 187 million); the Muslim nations to the south are clearly growing much faster than the European nations to the north (11:25). This population growth and recognition by the southern populations of the better economic situation in the nations to the north is prompting a

5. Ted Parker is a former Naval officer and currently a political-military consultant (11:25).

"steadily increasing flow of immigrants to Europe" (11:25). Seven million immigrants, largely from north Africa, are currently in France, one million are in Italy, and more seek entry into western Europe every day (4:1). Consequently, western European countries are adopting stricter immigration policies, and "racism is on the rise throughout western Europe" (4:1).

Perhaps the most important consequence of this economic-population crisis is that increasing poverty in the Muslim countries along the Mediterranean reinforces Islamic fundamentalism and political instability. From the countries of the Magreb, through Egypt, and up to Turkey, the Islamic fundamentalist movement is spreading the belief that "Western secularism is responsible for the failures of the existing political system... [and] communism [is] merely a corrupt form of secularism... [leaving] the reintroduction of Islamic law as the blueprint for the restoration of cultural and economic values" (7:11). However, Babeair⁶ convincingly points out that Islamic fundamentalism has become a political tool of middle class activists who inflame the underprivileged masses by blaming the U.S., Europe, and the Soviet Union for the poor conditions in Muslim countries (2:136,11:25).

Unless the governments of these countries can improve their economic situations they will face serious challenges from Islamic fundamentalists. These governments will, therefore, change policies throughout the 1990s in an effort to increase economic growth — growth that largely depends on increasing the export of natural resources. For example, mining and oil producing countries will liberalize their nationalized industries and invite

6. A.S. Babeair is the Dean of the College of Education, King Saud University, Saudi Arabia and a noted Muslim scholar (2:122).

western companies to once again enter into for-profit joint ventures (10:39). Indeed, lack of investment capital, poor technology, and declining production under nationalized management, and tighter linkage between oil producer, exporter, and refiner/distributor, have returned leverage to the large U.S. and international oil companies (10:40). In addition, threatened governments may be motivated to denationalize their industries because they recognize that one of the lessons from Desert Storm is that an oil producing country's national security is "enhanced rather than diminished by allowing [U.S.] firms to take a robust equity position in their oil industry" (9:40). But, it must be noted that while denationalization helps build the economies of these countries, it also forces U.S. regional security strategy to provide for the protection of the resulting growth in the numbers of U.S. citizens and corporations operating in these countries.

Algeria's situation illustrates oil's central position in the economic and security issues of the 1990s in the Mediterranean region. Algeria's capability to exploit its oil reserves is decreasing. Denationalization currently underway — if continued — should boost production. However, Algeria's own internal need for oil is growing so rapidly that oil export revenues will not be sufficient to reverse Algeria's economic deterioration in the face of booming population growth (9:83). Thus, economic decline, rising population, and increasing dependence on western oil companies marks Algeria as a prime candidate for instability and revolution; the 1990s may find Algeria as the first Islamic Republic on the Mediterranean (5:95).

Situation 3: Regional Security Problems and Emerging Powers

While U.S.-Soviet rivalry will continue to decrease during the 1990s, the world is not likely to witness the two countries acting as military allies during the decade. However, the U.S.-Soviet rapprochement and economic *engagement* will increase opportunities for U.S.-Soviet security cooperation. There will be many such opportunities in and near the Mediterranean region during the 1990s. The Arab-Israeli problem tops the list. U.S.-Soviet cooperation, the successful U.S.-led effort against Iraq, the emergence of serious Arab-U.S. cooperation, and the increasing isolation of Israel due to its Palestinian policies offer prospects for a "new order" in the Middle East and perhaps progress toward an Arab-Israeli peace.

Syria's control over Lebanon, the possibility of improved U.S. and Syrian relations in the post-Iraq war era, and possible improvements in the Arab-Israeli situation spark a glimmer of hope that Lebanon might revive itself as an important Mediterranean trading nation and an economic power in the region during the 1990s. Syria's control over Lebanon means a revitalized Lebanon will promote Syria as a new Mediterranean power.

Another regional problem, Greek-Turkish relations, could worsen in the 1990s due to: (1) Greece's admission to the EC and Turkey's exclusion, (2) the interest of each in protecting their populations on Cyprus and preventing the other from gaining control of the Aegean, (3) difficulties in both countries resulting from refugees fleeing south from ethnic strife in the Balkans, and (5) Greek concern about U.S. military aid to Turkey — aid directed at regional threats (Iran, Iraq, Syria), and the threat from the shift in Soviet forces under the Treaty on Conventional Forces in Europe.

A greater regional problem during the 1990s will come from Libya's growing economic and military power. OPEC oil production will become more concentrated in the Persian Gulf and Libya through the 1990s (9:83). Thus, the expected demand/price for oil and Libya's small population and high per-capita income should make Libya a true economic force in the region by the late 1990s. Unfortunately, Libya's new economic power, Qaddafi's anti-U.S. feelings, and his ambitions of pan-Arab leadership, argue that this new wealth will be used to increase Libya's military power.

Indeed, Qaddafi has already escaped regional isolation by joining the Magreb Union and normalizing relations with Egypt (8:139). His strategy appears to include subverting the Magreb Union into a Libyan led military alliance — a possibility if the moderating leadership of Algeria's Benjedid is lost as a consequence of instability in Algeria (8:139). Moreover, Qaddafi is actively working to "undermine U.S. security interests in the Mediterranean [during the 1990s] much as during the 1980s" (8:141). Early signs of Qaddafi's "policies and practices" for the 1990s include his effort to disrupt the negotiations for U.S. military access to Crete, support for terrorists, expanding influence on Malta, and his attempt to intimidate Italy by demanding reparations for Italian action in Libya during WWII (8:141).

Even worse, Qaddafi is effectively reorganizing and reequipping the Libyan military: "incompetent [officers] have been cashiered; [missions] have been altered or reaffirmed; [and] capabilities have been significantly enhanced" (8:139). Indeed, Qaddafi's new aircraft, chemical weapons, and ballistic missiles provide an "expanded geographic reach and lethality... other leaders in the Mediterranean basin must find threatening" (8:139).

THE BROADER PERSPECTIVE ON SECURITY IN THE MEDITERRANEAN REGION

As discussed earlier, the key U.S. security objective of the 1990s will be "[to integrate] the Soviet Union into the international system as a constructive partner" while avoiding any breakdown in Moscow's control over the Soviet nuclear arsenal (12:9). In pursuing this objective, the U.S. and European Community will adopt a policy of *engagement* to replace *containment*. As *engagement* evolves through the 1990s, the west will continue to depend on NATO's military power to ensure stability in Europe and deter the Soviet Union. However, just as the integration of Europe will eventually decrease NATO's role as *the* stabilizing force in Europe, the integration of the Soviet Union into the world's economic system will eventually create a basis for deterrence that will supplant NATO's contribution.

Under *engagement*, economic aid to the Soviet Union will be part of a European Community "Marshall Plan" aimed at eastern Europe. The U.S. will also provide economic aid but only in ways that support the growth of a market economy in the Soviet Union. Thus, the U.S. will focus on trade and joint-ventures, with the extraction and export of oil as the cornerstone. U.S. dollars will flow to the Soviet Union for oil; Soviet petrodollars will flow back to buy consumer goods and hire the western expertise needed to modernize Soviet industrial and transportation infrastructure.

This U.S.-Soviet oil connection will be reinforced by the U.S. need to: (1) meet a growing demand for oil, (2) diversify sources of imported oil to protect against supply disruption, (3) limit the economic leverage accrued to any oil exporting country, and (4) ensure the growth of western economies by avoiding high energy prices. Consequently, a relationship will

emerge between U.S. security policy seeking to integrate the Soviet Union into the international system, and U.S. energy policy seeking "reliable access to competitively priced oil and an [alternative] to any supply disruption" (12:22). Indeed, as U.S. oil imports approach 65% by the year 2000, U.S. security and energy objectives will virtually merge. This merger will increase the geostrategic importance of the Mediterranean, Aegean, and Black seas, and *link* the stability of the coastal countries of the region to the broader U.S. policy of *engaging* the Soviet Union.

However, key NATO countries -- especially united Germany -- will resist extending NATO's security interests beyond the Soviet threat and the direct defense of those Mediterranean countries already in NATO. These countries will focus on: protecting the economic gains resulting from the integration of Europe, developing eastern Europe, and limiting NATO's role to Europe. This lack of unanimity will severely limit NATO as an instrument for ensuring stability in the Mediterranean during the 1990s.

And so, it will fall to the U.S. to realize the *Situations of the 1990s* and develop a strategic concept for the Mediterranean. On the world situational level, this means considering the U.S. policy of *engagement* and Europe's focus on eastern Europe and the Soviet Union. On the regional level, this means considering: (1) Turkey's exclusion from the European Community and Greek-Turkish animosity, (2) the potential new Mediterranean power of Syria through Lebanon, (3) the possible domination of the Magreb by Qaddafi's Libya, and (4) the potential instability rising out of economic and population problems in Turkey, the Magreb, and the Balkans.

STRATEGIC CONCEPT FOR THE MEDITERRANEAN REGION

U.S. security objectives for the Mediterranean region during the 1990s should be to: (1) establish a *strategic stability* in the region that secures the sea lines of communication in the Mediterranean, Aegean, and Black seas, (2) assist the development of market economies while "fostering restraint in military spending and adventurism" by the countries of the region (12:2), and (3) protect U.S. citizens and interests in the region. To accomplish these objectives, the U.S. must adopt a strategy that considers world and regional situations and issues, and integrates diplomatic, economic, and military power. The following review of each objective gives substance to an overall strategic concept for the Mediterranean region.

Objective 1: Strategic Stability

Achieving a *strategic stability* that secures the lines of communication in the Mediterranean, Aegean, and Black seas requires deterring Soviet military action, devaluing the possession and use of weapons of mass destruction, and preventing any country from attaining regional dominance. The strategy to achieve these requirements should: (1) shift U.S. air power in Europe to NATO's southern flank; (2) use United Nations (UN) actions to devalue the possession and use of weapons of mass destruction; and (3) organize a security framework for the region. A closer look at each of these actions shows *how* strategic stability could be achieved.

Progress under an economic strategy of *engagement* with the Soviet Union should ensure Soviet cooperation in the Black sea for U.S.-Soviet trade. Combined U.S-Soviet naval exercises in the Black and Aegean seas should evolve to compliment continued U.S. freedom of navigation exercises. However, until economic integration of the Soviet Union under *engagement* is well established, military power will remain the principle means of deterring uncooperative Soviet action in the region. During the 1990s, this will continue to be achieved via NATO and the presence of the U.S. Sixth Fleet and U.S. Air Force units at NATO bases in Spain, Italy, Turkey, and Greece.

Although the Soviet Union seeks to reduce U.S. naval forces by arms control, the U.S. should continue to reject such moves "for reasons grounded in the fundamental realities of the free world's strategic interest" (12:17). However, shrinking U.S. defense budgets and force levels, continuing low-level Soviet naval activity, and increasing regional sea power (e.g., aircraft carriers deployed by Spain, France, and Italy) will combine during the 1990s to cause a reduced U.S. naval presence in the Mediterranean.

Because control of the air allows control of the sea, and because land-based air power provides a powerful and ready deterrent force (especially after Desert Storm), the U.S. should expand its land-based air power in the region during the 1990s as a necessary strategic response to the increased importance of the Mediterranean and the reduced U.S. naval presence. Indeed, as NATO's military structure evolves as a consequence of Soviet withdrawal from eastern Europe, the Treaty on Conventional Forces in Europe, and the integration of Europe, the preponderance of day-to-day in-theater U.S. Air Force units should be shifted from central

Europe to NATO's southern flank.⁷ This would leave European air forces as the day-to-day air power in central Europe with U.S. Air Force units in CONUS and southern NATO reinforcing central Europe when required. Moreover, this arrangement provides economy of force by positioning U.S. Air Force units in NATO where they can offset any draw down in U.S. naval forces in the Mediterranean, counter the Soviet Union should deterrence fail, and help deter overt aggression in the Mediterranean by any regional power — especially those possessing weapons of mass destruction.

Indeed, possession of chemical/biological weapons by Syria, Israel, Egypt, and Libya; development of ballistic missiles of increasingly longer range by Syria, Israel, Egypt, and Libya; purchase of bombers and air-to-air refueling capabilities by Libya; and possession of nuclear weapons by Israel, and the potential acquisition by Libya and Syria, all demonstrate that establishing *strategic stability* in the Mediterranean region requires considerably more than just deterring the Soviet Union. Specifically, countering proliferation of, devaluing the possession of, and deterring the use of these weapons is vital to gaining *strategic stability* in the region.

To date, U.S. efforts to counter proliferation have centered on technology export controls, the Nuclear Nonproliferation Treaty and the Geneva Conventions. The lessons have been: proliferation can be slowed but not stopped; and there is no established vehicle for enforcing the standards of conduct set by the Geneva Conventions. The U.S., therefore, must find new ways to devalue weapons of mass destruction and deter their use.

7. Thus, activation of U.S. air operations at Catanzaro, Italy -- currently approved by Italy and under review by the U.S. Congress -- should proceed as a high priority.

The UN Security Council, revitalized by U.S.-Soviet cooperation, could pass a U.S.-Soviet sponsored *Non-Use Resolution*. Such a resolution would require the immediate economic blockade of any country that uses chemical, biological, or nuclear weapons against another. The successful UN embargo of IRAQ illustrates the potential of a *Non-Use Resolution* as an integrated instrument of collective diplomatic, economic, and military power.

The threat of embargo would be particularly effective against the Mediterranean countries because of their vulnerability to a blockade of sea and air lines of communication with the U.S. and Europe. This effectiveness could be furthered by publication of academic papers -- especially those authored by the Arab members of the Desert Shield/Storm coalition -- documenting the efficacy of the UN embargo against Iraq.

Indeed, Desert Storm demonstrated much more: (1) the destructive and war-winning value of a well trained modern air force, (2) the difficulty of effectively defending against such an air force, (3) the potential destabilizing effect of ballistic missiles (e.g., Iraq's use against Israel in an effort to widen the conflict), and (4) the high cost of the technology required to defend against the ballistic missile threat. Thus, countries with large air forces and ballistic missiles may find it easier to intimidate lesser armed countries; and, the lesser armed countries will seek, as a first priority, an effective air and missile defense capability.

A Mediterranean Regional Air & Missile Defense Coalition (*MEDRAM DC*) could further *strategic stability* by providing a ready defensive force that developing countries in the region could call upon when threatened by the air and missile forces of another country. Specifically, a *MEDRAM DC* would provide member countries with: (1) early warning and tactical data on

missile launches by any country within striking range, (2) AWACS surveillance and air-to-air intercept coordination, and, if necessary, (3) rapid deployment of a coalition air/missile defense force package during a crisis.

The U.S., Italy, Britain, and France, could form the core of a *MEDRAM DC*. France's strong support during Desert Shield/Storm and historical ties to the region suggest France would support a *MEDRAM DC*. Britain's interest in the region and cooperation with the U.S. is well established.

But, as the "fifth biggest economy in the world" and as the central landmass in the region, Italy's membership is critical to a *MEDRAM DC* (13:3). Attempts to organize a Conference on Security and Cooperation in the Mediterranean (CSCM) and efforts to expand its navy (e.g., addition of an aircraft carrier) identify Italy as a power ready for regional leadership. Indeed, vulnerability to regional conflict and concern over Libyan missile/bomber forces should motivate Italy to help lead the formation of the *MEDRAM DC*. And, Italy's leadership role should prompt the expansion of U.S.-Italian basing arrangements to allow out-of-NATO-area operations under the *MEDRAM DC*. This arrangement would provide an economy of force for the U.S. (i.e., same forces/bases support NATO and *MEDRAM DC*). Moreover, by strategically locating its defensive force package in Italy, the *MEDRAM DC* avoids having to require prospective member countries to host U.S. or coalition forces. Such flexibility should make it easier for the Muslim countries of the region to join the *MEDRAM DC*. Over time, wider basing arrangements should emerge as confidence in the *MEDRAM DC* grows.

Membership in the coalition would be open to any Mediterranean country, provided the applicant: (1) supports the *Non-Use Resolution*, and

(2) cooperates in verifying non-possession of missiles, long range bombers, and chemical, biological, and nuclear weapons. These conditions are consistent with several countries joining the *MEDRAM DC*.

Some Balkan countries may consider joining as a consequence of close relations with Italy and the need to strengthen their independence from Soviet influence. However, internal ethnic disputes and unstable central governments will likely prevent their early participation in a *MEDRAM DC*.

Economic pressures and close relations with the U.S. suggest Egypt would forgo chemical/biological weapons and ballistic missiles to gain security and prestige as a leader in the *MEDRAM DC*. Egyptian influence and the absence of a requirement to host *MEDRAM DC* forces might lure Algeria and Tunisia to join, unless Islamic fundamentalism radicalizes their governments. Morocco would join to offset its weak security position vis-a-vis Algeria, Spain, and Libya. As with NATO, Spain would probably defer its membership until the *MEDRAM DC* influences regional economics and politics.

Turkey will seek to join the *MEDRAM DC* because of its: security concerns vis-a-vis Greece, Syria, Iraq, Iran, the Balkans, and Soviet Union; exclusion from the European Community; and doubts about NATO's commitment to Turkey. Greece will seek to join because of Turkey's membership and fear of instability in the Balkans; however, Greece's membership should be delayed. This delay would prevent Turkish-Greek problems from jeopardizing unity of action during the *MEDRAM DC's* formative period. Moreover, having Turkey in the *MEDRAM DC* and Greece out helps counter Greece's membership in the European Community and Turkey's exclusion. Indeed, NATO, European Community, and *MEDRAM DC* political leverage might check Greek-Turkish animosity and advance stability in the Aegean.

MEDRAM DC's relation to Israel, Syria, and Libya warrants special attention. Israel cannot abandon regional air, missile, and nuclear superiority for membership in *MEDRAM DC*. To do so would subordinate Israel's self-defense to U.S. efforts to gain *strategic stability* by forming a coalition with selected Muslim countries. On the other hand, Israel's exclusion makes it easier for the Muslim countries of the region to join the *MEDRAM DC*.

Syria's membership in the *MEDRAM DC* is also unlikely. Even if an Israeli-Syrian peace treaty comes in the aftermath of Desert Storm, Syria will maintain chemical/biological weapons, improve air/missile forces, and seek nuclear weapons to deter/threaten Israel and promote Syrian prestige. Indeed, Syria might use such weapons and survive an embargo under the *Non-Use Resolution* by resupplying through Syrian-controlled Lebanon. However, Syria's economic problems, Desert Storm's success, a weakened Soviet Union, and the *MEDRAM DC* should deter Syrian military ambitions.

Libya presents a different problem. As discussed earlier, demand for oil and Libya's reserves could promote Libya's economic/military control of the Magreb — especially if Benjedid loses power in Algeria. The *Non-Use Resolution* and *MEDRAM DC* should deter overt Libyan aggression. However, Qaddafi's anti-U.S. attitude and use of terrorism means Libya must be isolated until Qaddafi is removed and a cooperative government gains power. Indeed, Libya should be treated like the Cuba of the Mediterranean. The U.S. should support Italian efforts to split Malta from Libya and use the U.S. tax code to punish companies helping Libya. In addition, the U.S. should work to limit Libya's regional economic leverage by developing closer economic relations with the countries of North Africa.

Objective 2: Develop Market Economies and Restrain Military Spending

As discussed earlier, economic pressures in the developing countries along the Mediterranean will contribute to instability in the region during the 1990s. Unless the governments of these countries accelerate economic growth and provide jobs for their growing populations, they will likely be overthrown by Islamic fundamentalists or dominated by richer regional powers. In short, *strategic stability* in the region will not endure unless supported by economic progress. However, the U.S. fiscal situation during the 1990s will only allow continuation of current levels of economic aid, and European Community (EC) economic aid will be consumed by eastern Europe and the Soviet Union. Thus, the U.S. must find new ways to promote market economies and restrain military spending in the region.

The UN *Non-Use Resolution* and *MEDRAM DC*, will help by providing security at lower cost. Thus, countries in the region can divert resources they might have spent on sophisticated arms to help their economies. As previously discussed, economic progress will also be helped by the international oil market prompting partial denationalization of the industry in Algeria, Tunisia, and Libya. But, broader regional economic help is needed.

First, the U.S. must promote Turkey's inclusion in the EC. As already discussed, Turkey was excluded due to: economic problems, the EC's desire to avoid Greek-Turkish arguments, and anti-Muslim attitudes in Europe. Unfortunately, exclusion could cause Turkey's economy to falter and prompt revolution. Revolution might close the Bosphorus Straits and disrupt U.S.-Soviet trade. Stability in this critical area requires U.S. aid to Ankara to have priority until Turkey is integrated into the EC.

Second, the U.S. should encourage the EC to include the Balkans in the EC's "Marshall Plan" for eastern Europe. Economic assistance will be vital to developing free market economies in the Balkans and securing the leverage needed to promote democratic settlements to ethnic disputes.

Third, the U.S. and Italy should lead a regional effort to construct a Mediterranean Strategic Petroleum Reserve (*MSPR*). Japan's interest in a stable oil market could gain partial funding for the project, and U.S. encouragement of Saudi Arabia could provide additional funding and oil for the reserve. To maximize the economic benefits for the region, the *MSPR* should be built in three countries: Turkey on the east, Morocco on the west, and, subject to local geology and regional politics, either Italy, Algeria, or Egypt in the center. Construction and operation of the *MSPR* will create jobs, provide energy security for the countries of the region, strengthen regional cooperation, add stability to the oil market, and diminish Libya's political leverage by cutting regional dependence on Libyan oil.

Finally, the U.S. should encourage the construction of a Pan-Arabian Transportation System (*PATS*). *PATS* would build a modern international highway/railway linking Morocco in the west with Saudi Arabia in the east. When finished, *PATS* would boost trade between the Arab countries and provide faster and easier interchange between buyers and sellers. The resulting regional economic interdependence should help stabilize the area. Moreover, construction of *PATS* should create thousands of jobs and stimulate supporting industries throughout the Magreb and Egypt. *PATS* should be an Arab project with funding coming from the Persian Gulf states and the North African countries. The U.S. should offer technical assistance.

Objective 3: Protect U.S. Citizens and Interests in the Region.

Construction of the *PATS* and the *MSPR*, and denationalization of industries will boost economic growth, promote market economies, and create democratic opportunities in the region. These developments will also draw thousands of U.S. citizens and many corporations to the region. This increased U.S. presence will require the U.S. to have the capability to provide for their protection and a strategy for deterring terrorism.

The *MEDRAM DC* should provide a stable international environment by deterring aggression. However, terrorism poses a different problem. To deter bombings, hostage taking, and murder of its citizens, the U.S. must make clear its intention to retaliate against terrorists and the leadership and command/control capabilities of any involved government. Thus, U.S. anti-terrorist capabilities must not depend on NATO, *MEDRAM DC*, or the cooperation of any country. Instead, the U.S. should improve its intelligence capabilities in the region and show global reach by patrolling the Mediterranean with cruise missile aircraft, ships, and submarines, along with overflights of the Mediterranean by CONUS-based B-2 stealth bombers. Such patrols and the effectiveness of cruise missiles and stealth aircraft during Desert Storm should restrain state sponsored terrorism.

Efforts to further such deterrence by basing stealth fighters in the region, even in Italy, would be controversial and could hurt U.S. efforts to establish the *MEDRAM DC*. But, deterrence of state sponsored terrorism could be furthered by: (1) the presence of a stealth fighter capability on aircraft carriers, and (2) demonstration of U.S. striking power in military exercises with Italy, Egypt, and other cooperative nations in the region.

SUMMARY

U.S. security interests in the Mediterranean and Black seas will increase during the 1990s as a consequence of growing U.S. trade with the Soviet Union under a *post-containment* policy of *engagement*. *Engagement's* objective to integrate the Soviet Union into the international system as a cooperative partner while ensuring Moscow's control over the Soviet nuclear arsenal will be the focus of U.S. strategy during the 1990s. U.S.-Soviet oil trade and joint ventures with U.S. oil companies will become the economic cornerstone of *engagement* during the 1990s, leading to broader U.S.-Soviet economic interdependence after the year 2000. The growing U.S. demand for imported oil during the 1990s will reinforce the U.S.-Soviet oil connection. Indeed, U.S. energy and security policies will merge by the year 2000 and give rise to a new security strategy for the Mediterranean.

The U.S. will lead the formulation and implementation of this Mediterranean security strategy while the European Community (EC) focuses on the economic reconstruction of eastern Europe and the Soviet Union, and NATO struggles on without the unanimity needed to act outside Europe. To succeed in the Mediterranean, U.S. strategy must address: (1) exclusion of Turkey from the EC and Greek-Turkish animosity, (2) the potential new Mediterranean power of Syria via Lebanon, (3) the possible domination of the Magreb by Libya, and (4) the potential instability rising out of economic problems in Turkey, the Magreb, and the Balkans.

A U.S. strategy directed at achieving *strategic stability* in the Mediterranean region could succeed by: (1) shifting U.S. air power in Europe to NATO's southern flank; (2) obtaining a United Nations *Non-Use Resolution*

imposing an economic blockade against any country using chemical, biological, or nuclear weapons against another; and (3) organizing a *Mediterranean Regional Air & Missile Defense Coalition* to deter regional powers and foster restraint in military spending by the countries along the Mediterranean.

To ensure *strategic stability* in the Mediterranean, the U.S. must help develop market economies in the region. Approaches must conform to U.S. fiscal limitations, encourage regional development, and help stabilize strategic areas. Encouraging the EC to extend economic assistance to the Balkans and integrate Turkey into the EC are fundamental to the stability of the Bosphorus Straits and access to the Black sea. Encouraging ongoing denationalization of oil and other industries in the region, organizing a *Mediterranean Strategic Petroleum Reserve*, and initiating construction of a *Pan-Arabian Transportation System* should promote: (1) regional market economies without relying on unrealistic outside financial assistance, and (2) help stabilize local governments by creating jobs and regional trade.

This economic growth and increased stability will draw many U.S. citizens and corporations to the region. U.S. security strategy must, therefore, deter state sponsored terrorism. A U.S. policy of retaliation plus regionally-based U.S. air power, patrolling cruise missile equipped air and sea platforms, B-2 bomber overflights of the Mediterranean, and stealth fighters based on aircraft carriers should provide a foundation for successful deterrence of state sponsored terrorism.

The resulting *strategic stability* in the Mediterranean region and the successful *engagement* of the Soviet Union through an oil-base economic relationship should move the U.S. "beyond containment", and help broaden economic *engagement* of the Soviet Union by the year 2000.

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